

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
FY09 BUDGET REDUCTION IMPACTS

	General Fund	Estimated Total Fund ⁵
Lump Sum Allocation:		
Rural Hospital Funding - Leaves \$537,500 (5/1/09)	3,611,100	14,450,200
Additional Administrative Reductions	1,306,800	2,613,600
County Prop 204 Hold Harmless ⁴ (6/15/09)	4,825,600	4,825,600
Eliminate Part D Copays (2/28/09)	1,500,000	1,500,000
Implement 5% FFS Reduction (2/1/09)	1,021,800	4,088,800
KidsCare and Parents Premiums Increase (5/1/09)	270,000	1,130,700
Acute Care Rates - Provider 5% reduction (4/1/09 - 5/1/09)	1,384,000	5,538,400
Retro Claim Out-of-State Hosp (6/1/09) ⁶	400,000	1,183,400
Retro COB Claim (6/1/09) ⁷	400,000	1,183,400
Total Lump Sum Reductions	14,719,300	36,514,100
Attainable Reductions:		
HCG	2,200,000	2,200,000
Rollback DES IT	1,300,000	2,600,000
Rollback GME ^{1,3}	7,000,000	20,449,900
Personnel Services Reduction	1,746,400	3,492,800
DSH Reduction		
MIHS	4,202,300	4,202,300
Private ²	8,751,000	25,647,700
Total Attainable Reductions	25,199,700	58,592,700
GRAND TOTAL AHCCCS REDUCTIONS	39,919,000	95,106,800

Notes:

- 1) AHCCCS is seeking further dialog with CMS to determine if the full amount on the rollback of GME will be available based on the GME language in the State Plan.
- 2) The \$8,751,000 represents the difference between the FY09 Private DSH appropriation and the \$171,200 that will be used as state match for \$500,000 in private DSH that will be paid out if approved by CMS.
- 3) Although the increased FMAP provisions do apply to GME, the total fund available for GME is limited based on language in the State Plan.
- 4) The \$4,825,600 for County Hold Harmless includes \$234,200 for Graham County, \$3,817,800 for Pima County, \$234,400 for Greenlee County, \$159,700 for La Paz County, \$214,800 for Santa Cruz County, and \$164,700 for Yavapai County.
- 5) For matchable programmatic lines the estimated total fund impact is based on the projected FMAP increase in the Federal Stimulus of 75.01%.
- 6) This figure represents a retroactive adjustment to out-of-state hospital payments.
- 7) This figure represents claims AHCCCS discovered retroactively that should have been paid by Blue Cross Blue Shield, a commercial health insurer, as the primary payer. Under federal law, Medicaid must be the payer of last resort.